



## **PG&E proposes to build British Columbia to California power line**

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Pacific Gas & Electric is asking the US Federal Energy Regulatory Commission to approve incentive rates for a proposed \$5.1-billion, 1,000-mile transmission line that would move electricity from Canada and the US Pacific Northwest to northern California.

In its filing with FERC, PG&E, which is leading a group of US and Canadian utilities in the project, also asked to recover all of its construction-work-in-progress and prudently incurred costs if the project is canceled or abandoned.

In addition, the San Francisco-based utility requested a 150-basis-point adder to its return on equity for capital costs, and authorization to expense and recover on a current basis all pre-operational costs of planning and testing.

In its filing with the commission, PG&E put the estimated cost of building the line at \$3.2 billion and said it project sponsors would need to spend \$1.9 billion more to upgrade existing transmission systems along the line's preferred route.

PG&E said it expects to complete the 500-kV line as early as 2015 and asked FERC to act on its request within 60 days. The utility submitted its filing, which has yet to be made public, to FERC on December 21.

Other companies that are involved in the project are Avista Energy, British Columbia Transmission, a province-owned company responsible for the transmission grid in British Columbia, PacifiCorp and the Transmission Agency of Northern California.

PG&E told FERC that the project "entails significant business, financial, regulatory and political risks that are not presented by more traditional, one-utility infrastructure improvements," adding that the line's international component further complicates matters and creates uncertainties, "as neither state nor federal regulatory or political authorities will have jurisdiction over the Canadian entities."

Although the companies involved have not determined how the costs of the project will be divided, PG&E said it expects to pay for at least 60%, or \$1.9 billion, of the direct costs.

PG&E has identified up to 5,250 MW of new renewable generating capacity that could develop in eastern Washington, eastern Oregon and northwest Nevada, in addition to as much as 10,000 MW of new renewable generation that could develop in the Canadian provinces of British Columbia and Alberta.

Comments on the filing are due January 22. --Esther Whieldon,  
esther\_whieldon@platts.com

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